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ELEKTROBIT GROUP PLC. – FINANCIAL STATEMENT BULLETIN 2005

SUMMARY

The figures presented in the financial statement bulletin on year 2005 and 2004 have been stated in accordance with the international IFRS accounting standards.

The company's objective for 2005 was to continue its efforts towards long-term development by adding resources to sales, marketing and competence development, as well as to research and development.

Net sales in the fourth quarter of 2005 stood at 54.9 million euro. This was at a lower level than that of the fourth quarter of 2004 (60.2 million euro), and in line with earlier estimates. Operating profit in the fourth quarter of 2005 was 4.4 million euro (which included a 0.4 million euro extraordinary income resulted from a property arrangement in Germany). It was substantially at a lower level than that of the fourth quarter of 2004 (10.1 million euro), and in line with earlier estimates.

Comparisons between the figures of the fourth quarter of 2005 and the corresponding period in 2004:

- Net sales amounted to 54.9 million euro (60.2 million euro: a decrease of 5.2 million euro or 8.7%). Net sales of the Automotive business increased, net sales of the Testing, Automation Solutions and Contract R&D businesses decreased.
- Operating profit amounted to 4.4 million euro (10.1 million euro: a decrease of 5.7 million euro or 56.3%). The operating profit of the Service business segment amounted to +0.0 million euro (1.3 million euro), and of the Product business segment amounted to 4.8 million euro (7.3 million euro), and of the other businesses amounted to -0.4 million euro (1.5 million euro).
- Cash flow from operations amounted to 13.7 million euro (19.8 million euro).

Comparisons between year 2005 and 2004:

- Net sales amounted to 212.5 million euro (202.6 million euro: an increase of 9.9 million euro or 4.9%). The net sales of the Testing business unit 100.2 million euro (88.3 million euro; an increase of 11.8 million euro or 13.4%) and the net sales of the Automotive business unit 27.1 million euro (16.8 million euro for the period March 8 – December 31, 2004; an increase of 10.3 million euro or 61.2%) increased from the level of 2004. The net sales of the Automation Solutions business unit 21.9 million euro (25.1 million euro; a decrease of 3.3 million euro or 13.0%), and the net sales of the Contract R&D business unit 63.1 million euro (72.0 million euro; a decrease of 8.9 million euro or 12.4%) decreased from the level of 2004.
- Operating profit amounted to 25.5 million euro (34.4 million euro). The operating profit of the Service business segment amounted to 0.9 million euro (9.2 million euro) and of the Product business segment amounted to 24.7 million euro (26.7 million euro)
- Cash flow from operations amounted to 26.3 million euro (47.6 million euro)
- The equity ratio was 64.2% (58.1%).

The quarterly distribution of the Group's overall net sales and profit was the following:

| MEUR | 10-12/05 | 7-9/05 | 4-6/05 | 1-3/05 | 10-12/04 |
|---------------------|----------|--------|--------|--------|----------|
| Net sales | 54.9 | 54.9 | 58.1 | 44.6 | 60.2 |
| Operating profit | 4.4 | 9.4 | 7.2 | 4.5 | 10.1 |
| Profit before taxes | 5.1 | 9.6 | 7.4 | 4.6 | 10.2 |
| Net profit | 4.0 | 6.6 | 5.2 | 3.2 | 7.2 |

Net sales by business unit have developed as follows:

| MEUR | 10-12/05 | 7-9/05 | 4-6/05 | 1-3/05 | 10-12/04 |
|-------------------------|----------|--------|--------|--------|----------|
| Contract R&D | 16.6 | 13.4 | 15.9 | 17.2 | 21.4 |
| Automotive | 10.8 | 6.2 | 5.8 | 4.4 | 6.9 |
| Services business total | 27.4 | 19.6 | 21.7 | 21.6 | 28.3 |
| Testing | 22.6 | 29.9 | 31.0 | 16.7 | 25.9 |
| Automation Solutions | 4.8 | 5.4 | 5.4 | 6.3 | 5.9 |
| Products business total | 27.5 | 35.2 | 36.3 | 23.0 | 31.8 |
| Group Total | 54.9 | 54.9 | 58.1 | 44.6 | 60.2 |

Net sales by market area were as follows:

| MEUR (%) | 10-12/05 | 7-9/05 | 4-6/05 | 1-12/05 | 1-12/04 |
|----------|------------|------------|------------|-------------|-------------|
| Asia | 13.5 (25%) | 12.4 (23%) | 7.2 (12%) | 37.9 (18%) | 26.4 (13%) |
| Americas | 4.5 (8%) | 12.6 (23%) | 12.9 (22%) | 35.5 (17%) | 36.8 (18%) |
| Europe | 36.9 (67%) | 29.9 (55%) | 38.0 (65%) | 139.1 (65%) | 139.4 (69%) |

Net sales (external) and earnings development by the business segment were the following during 2005 (figures for the year 2004 in brackets):

| | Service business | Product business | Common functions | Eliminations | Group total |
|---------------------|------------------|------------------|------------------|--------------|---------------|
| Net sales, external | 90.2 (88.8) | 112.1 (113.5) | 0.2 (0.3) | 0.0 (0.0) | 212.5 (202.6) |
| Operating profit | 0.9 (9.2) | 24.7 (26.7) | -0.1 (-1.5) | 0.0 (0.0) | 25.5 (34.4) |

BUSINESS ENVIRONMENT

The predictable period in the business environment remained short during 2005. The sales volume of the mobile devices on the global market is estimated to have increased 20 % during 2005. The downward trend in the average price of mobile devices and a shorter time-to-market imposed challenges on the improvement of product development efficiency. The amount of product development based on different product platforms is expected to have increased due to faster time-to-market and reduction of product development expenses. On the other hand, new product features and the introduction of 3G equipment are anticipated to have had an increasing impact on product development in 2005. The deliveries of smart phones grew and the growth is expected to continue during 2006.

The growth of the wireless network equipment business is expected to have been under 10% during 2005, and growth is expected to be slowing down in 2006. During 2005 the operators invested in network capacity and new network technologies and increased network optimization especially on developed markets. The positive developments in the wireless network testing equipment market is expected to continue also during 2006.

Delivery times in production-related testing and automation markets became shorter and cost efficiency remained as the main competitive factor. The share of electronics and software in cars grew, as well as the use of wireless technologies and the number of infotainment applications.

According to the strategy updated during 2005, Elektrobit Group's long-term targets include:

- To grow faster than the telecommunications industry on average;
- To expand the customer base in telecommunications, automotive and other industries;
- To enhance product development services based on our special competence and offer more extensive productization service packages
- To pursue a leading position among smart phone development partners through the company's ODE business model and, together with partners, through the ODM business model and by offering reference phones;
- To pursue a leading position in testing of mobile devices and networks by widening the product and technology offering;
- To strengthen the market position in automotive infotainment applications, in real-time operating systems for body control applications and in electronic production automation;
- To strengthen the company through acquisitions and strategic alliances.

In February, Elektrobit announced that it will be the first design house to offer a range of smart phones based on its Series 60 reference design targeted at Series 60 licensees. Elektrobit offers the phones in accordance with the ODE (Original Design and Engineering) principle with optional contract manufacturing services. The reference phones change the environment of mobile phone development by reducing development costs and time-to-market of new products. With industrial designs and optional modifications to the mechanical design and the Series 60 Platform, mobile handset vendors can offer differentiated products based on Elektrobit's reference smart phones.

In June it was announced that the business units operating within the Product business segment; the Testing business unit and the Automation Solutions business unit, will be merged into a new Test and Automation business unit. The combining of the business units will strengthen the product business and enable the units to serve their common customers more comprehensively.

The development of the business environment supports our objective of continuing on a track of moderate net sales growth also in 2006. The expectation of growth is subject to uncertainties caused by the cost reduction pressures and increasing competition among suppliers of production test

solution providers due to lowering average product prices of mobile devices, and by the sustaining high competition and difficult to predict contract R&D market environment. On the other hand, the outlook on the automotive and network and system test markets is good. The cost reduction pressures and high competition in our mobile devices related markets and the growing investments in research and development, do not support achieving the relative profitability level of 2005 in 2006. Net sales in 2005 fell short of and profitability almost met the targets set for January to December 2005.

RESEARCH AND DEVELOPMENT IN 2005

During 2005 the Elektrobit Group continued to invest in the practical application of future technologies, in the adoption of new technologies and the development of Series 60 platforms in the Contract R&D business, as well as in the development of new products in the Automotive, Automation Solutions and Testing businesses. Research and development expenses in 2005 amounted to 15.0 million euro which is 7.1 % of the net sales (compared with 12.0 million euro (5.9%) in 2004 and 9.9 million euro (6.6%) in 2003).

SERVICE BUSINESS SEGMENT IN 2005

Elektrobit's service business comprises:

- the Contract R&D business that mainly consists of product development services for the telecommunications industry, and
- the Automotive business that mainly consists of software development services for the automotive industry. The core of the Automotive business is 3SOFT GmbH, which became a part of the Group through acquisition in March 2004.

Net sales of the service business in 2005 amounted to 90.2 million euro (88.8 million euro) and the operating profit stood at 0.9 million euro (9.2 million euro).

CONTRACT R&D BUSINESS 2005

The Contract R&D business comprises design services and wireless products for mobile terminals and base stations, Security & Defence, industrial and other application areas. Product sales constitute less than 10% of the net sales of the Contract R&D business.

The business environment of Contract R&D, particularly with regard to mobile terminals, was very turbulent and under intense competition when compared to the corresponding period in 2004. Poor availability of advanced 3G smart phone platforms has made it difficult to respond to market needs. This has reflected in issues such as extended periods of contract negotiations and added marketing efforts for the sale of product development projects. Net sales during 2005 amounted to 63.1 million euro (72.0 million euro), which was below the target.

During 2005, Elektrobit carried out its strategy by continuing its effort in the development and marketing of Series 60 Platforms. During 2005, Elektrobit also released its own reference smart phone targeted at Series 60 licensees. Customer projects based on the Symbian operating system were carried out within the framework of the Symbian IDH (Independent Design House) contract.

Focal points during 2005 included the development of smart phone platforms and associated project and design services. The volume of product development associated with mobile phone base stations increased in comparison to the previous year.

Elektrobit Ltd., a subsidiary of Elektrobit Group Plc., and Procomp Solutions Ltd. signed an agreement transferring Elektrobit Ltd's former Contract R&D operations in Kuopio and Varkaus to Procomp Solutions Ltd. as of October 10, 2005. A total of 33 Elektrobit Ltd. employees transferred to Procomp Solutions Ltd. as continuing employees. The agreement did not involve the transfer of any customer commitments and had no impact on the Automation Solutions business based in Kuopio.

AUTOMOTIVE BUSINESS 2005

The Automotive business comprises design services for embedded software serving the needs of the automotive industry, medical electronics and industrial automation. Most of the business consists of development services for infotainment and body control applications.

The products include design tools and software components associated with our Tresos™ product range, used in the development of electrical control units (ECU) for passenger cars, as well as Street Director, a hybrid navigation system for smart phones and PDA devices. Product sales and related solutions constitute app. 30% of the net sales of the Automotive business in 2005.

The Automotive business unit has been operating independently within the Elektrobit Group from the beginning of 2005. The main efforts during 2005 focused on boosting sales to existing and new customers and expanding employee resources. Internationalization measures initiated in Japan and the USA have resulted in the first design projects commissioned by clients in these countries.

Generally, the market for automotive software solutions is expected to grow at an annual rate of 15% (Mercer study 2005, Impact of AUTOSAR on the Auto Software and Tools Market). This growth stems from safety and driver support systems, electronics designed to enhance comfort, in-vehicle communications networks, and the improvements in the quality of electronic vehicle components. Diagnostics is estimated to also provide considerable growth potential.

Net sales in 2005 amounted to 27.1 million euro (16.8 million euro) and on the whole, business operations developed according to plan. The net sales figure for the comparison period in 2004 only includes 3SOFT GmbH's net sales as of March 2004, as Elektrobit acquired an 80% holding in 3SOFT GmbH in March 2004.

PRODUCT BUSINESS SEGMENT 2005

Elektrobit's product business comprises:

- the Testing business that mainly includes testing equipment for the product development, production and network operation of telecommunications devices, as well as
- the Automation Solutions business that includes equipment for the automation of production lines for telecommunications and other electronic devices.

In June, the Elektrobit Group announced that the Testing and Automation Solutions business units included in the Products business segment will be combined to create a new business unit called Test and Automation.

Elektrobit Group reported sales for the Testing and Automation Solutions unit separately during 2005.

Net sales of the products business amounted to 122.1 million euro (113.5 million euro), and the operating profit stood at 24.7 million euro (26.7 million euro).

TESTING BUSINESS 2005

The Testing business comprises equipment for production testing, system testing and network testing, which are developed, manufactured and sold mainly to the manufacturers of mobile terminals and networks, network operators, electronics contract manufacturers and research organizations. The products include production testing equipment, radio channel simulators and measuring instruments for system testing (PropSim and PropSound product families), as well as measuring, analysis and optimization products for network operators for network testing purposes (Nemo product family). The Testing business also includes services related to the product offering, such as the design of testing for mobile phones and base stations, as well as measurement services related to mobile phone networks.

Net sales of the Testing business unit during 2005 amounted to 100.2 million euro (88.3 million euro), and exceeded our target. The higher than targeted growth was mainly contributed by the strong sales of network testing equipment (Nemo product family) in comparison to the sales figure of the year 2004. The sales of system testing equipment (mainly PROPSim product family) was also well above the sales of the year 2004, even though it did not reach the target figure. The sales of production testing equipment remained essentially at the same level as in 2004 thus exceeding the target.

The net sales in the fourth quarter amounted to 22.6 million euro (25.9 million euro). The sales of network testing and optimization equipment continued at essentially the same level as in the last quarter of 2004, the Asian market showing good progress. The sales of system testing equipment resulted in a significantly higher figure than during the same period 2004, and development was good especially in Japan, but the total sales target was not reached. The sales of production testing equipment in the last quarter experienced a decline and was below the figure of the corresponding period of 2004.

The R&D investments grew significantly during the year 2005. A number of new products were launched in Network testing: NemoHandy™, the portable cellular network measurement instrument based on the Symbian operating system, and extensions for new technologies such as 3GPP HSDPA in the Nemo Outdoor drive test tool. Deliveries of the new database based extension of Nemo Analyse post-processing tool for network measurements started during the last quarter of 2005. The sales of the new PropSim FE radio channel simulator started in the second quarter and the product opened us a new market segment in the digital TV broadcasting applications. Pilot deliveries of new functional production testing devices started in the third quarter, and continued with

customer evaluations during the fourth quarter. Product development investments continued in the domain of production testers for mobile phones, expansion of the radio channel simulator product range, as well as the development of measurement and analysis products for all key mobile phone network standards during the last quarter.

AUTOMATION SOLUTIONS BUSINESS 2005

The Automation Solutions business consists of two parts: BAS (Board Assembly Systems) and FAS (Final Assembly Systems). BAS focuses on circuit board processes for automotive, consumer and industrial electronics and comprises both project sales and standard equipment sales. The most significant market area is Central Europe. FAS mainly comprises assembly systems for the telecommunications equipment industry. It focuses on selected key accounts on a global level and typically delivers complete systems as projects.

Net sales during 2005 amounted to 21.9 million euro (25.1 million euro) and fell of our targets. The business environment remained challenging, and the industry is still under intense competition and cost pressure. The sales of board assembly systems was essentially at the same level as in the year 2004, while the sales of final assembly systems decreased significantly. Progress in sales was made with board assembly products concerning European key accounts, and new customers were acquired in the Americas region.

The net sales in the fourth quarter amounted to 4.8 million euros that was lower than the sales of the corresponding period of the year 2004.

Deliveries of new material handling equipment, consisting of a tray handler, tray cleaning device and IMD film cleaning device, started in the third quarter. The material processing product portfolio was complemented by a new laser marker cell and a new high-speed de-panelling cell during the fourth quarter. The focus of business shifted from customized projects to the sales of standard products, and customer projects utilizing Elektrobit's testing and automation platforms. In the fourth quarter, manufacturing of a set of material handling products was started in China.

BALANCE SHEET AND FINANCING

The figures presented in the balance sheet of December 31, 2005, have been compared with the balance sheet of December 31, 2004 (1000 euro).

| | 12/2005 | 12/2004 |
|--|---------|---------|
| Non current assets | 68 681 | 74 680 |
| Inventories | 17 452 | 15 410 |
| Accounts and other receivables | 46 937 | 49 137 |
| Financing securities, cash and bank deposits | 60 577 | 55 088 |
| Current assets total | 124 966 | 119 634 |
| Total assets | 193 647 | 194 314 |
| Share capital | 12 941 | 12 941 |
| Other equity | 107 249 | 95 688 |
| Minority interest | 1 785 | 2 271 |
| Total shareholders' equity | 121 976 | 110 900 |
| Long term liabilities | 26 480 | 34 733 |
| Short term liabilities | 45 191 | 48 680 |
| Total shareholder's equity and liabilities | 193 647 | 194 314 |

Cash flow from operations during 2005 was as follows:

| | |
|--|---------------------|
| + net profit +/- adjustment on accrual basis | + 35.7 million euro |
| - increase in net working capital | - 1.5 million euro |
| - interest, taxes and dividends | - 7.9 million euro |
| = cash generated from operations | + 26.3 million euro |
| - net cash used in investing activities | - 5.3 million euro |
| - net cash used in financing activities | - 15.6 million euro |
| = net change in cash and cash equivalents | + 5.5 million euro |

The amount of accounts and other receivables, booked in current receivables, was 46.9 million euro (49.1 million euro on December 31, 2004), while accounts and other payables, booked in interest free current liabilities, stood at 32.3 million euro (35.0 million euro on December 31, 2004).

The amount of non-depreciated consolidation goodwill at the end of year 2005 was 9.2 million euro (9.1 million euro on December 31, 2004), and depreciation on business acquisitions during 2005 amounted to a total of 2.0 (5.6 million euro during 2004).

The amount of net investments in 2005 was 2.9 million euro, consisting entirely of replacement investments. The amount of net investment was reduced by 4.6 million euro due to a property arrangement in Germany. The total amount of depreciation during 2005 was 10.5 million euro, including 2.0 million euro of depreciation owing to business acquisitions

The Group's other long-term investments include an investment portfolio with a book value of approximately 10.2 million euro that mainly consists of long-term bonds. The portfolio is valued at market value on December 31, 2005.

The amount of interest-bearing debt at the end of 2005 was 30.7 million euro. The distribution of net financing expenses on the income statement was the following:

| | |
|---|--------------------|
| interest, dividend and other financial income | + 4.2 million euro |
| interest expenses | - 3.7 million euro |
| foreign exchange gains and losses | + 0.7 million euro |

The company's equity ratio at the end of 2005 was 64.2% (compared with 58.1% at the end of 2004).

Year 2005 figures do not include any statutory reserves referred to in Chapter 5, Section 14 of the Accounting Act.

The Group follows a currency strategy, the objective of which is to ensure the margins of business operations in changing market circumstances, by minimizing the influence of exchange rates. In accordance with the principles of the currency strategy, the incoming 12-month net cash flow of the currency in question will be hedged. The net cash flow is determined on the basis of sales receivables, payables, the order book and the budgeted net currency cash flow. The hedged foreign currency exposure at the end of 2005 was equivalent to 22.5 million euro.

TRANSITION TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

Elektrobit adopted the International Financial Reporting Standards as of the beginning of 2005, and this financial statement bulletin has been prepared in accordance with the said standards. The exceptions allowed in the IFRS1 first-time adoption standard with regard to retroactive application of individual standards have been utilized in the transition. The IFRS information presented has been prepared in accordance with the IFRS standards valid at the time of preparation. The transition to IFRS regulations reduced Elektrobit Group's consolidated shareholders' equity on the opening balance sheet January 1, 2004, by approximately 1.8 million euro (2.1%) and increased the balance sheet total by approximately 3.5 million euro (2.4%). More information and the detailed specifications of the effects of the transition on the balance sheet and financial reporting were provided in a bulletin released by the company on March 9, 2005. The bulletin is available on Elektrobit Group's Web site www.elektrobit.com.

CHANGES IN GROUP STRUCTURE

During 2005, the Group acquired all the shares in Elektrobit SAS, the company responsible for the Group's operations in France. The share purchase agreement was signed on January 21, 2005.

The steps to merge Ylinen Electronics Ltd with Elektrobit Microwave Ltd were completed during 2005. The merger became effective as of June 30, 2005.

The two Group companies located in the United States, JOT Automation Inc. and Nemo Technologies Inc., were merged with Elektrobit Inc. on April 1, 2005.

A wholly owned subsidiary, Elektrobit DA Amazonia Ltda, was established in Brazil on June 6, 2005.

During 2005, the Group acquired all the shares in Elektrobit AG, the company responsible for the Group's operations in Switzerland. The share purchase agreement was signed on September 14, 2005.

The merger of Elektrobit Automation Ltd. and Elektrobit Testing Ltd. has been completed on December 30, 2005.

COMBINATION OF SHARES

On March 17, 2005, the General Meeting of Shareholders of Elektrobit Group Plc. passed a resolution to reduce the number of shares in the company by combining five existing shares into one new share. The changes were reported to the Trade Register on April 9, 2005. Currently, the total number of shares in the Elektrobit Group Plc. is 129,412,690, the accounting par value equivalent of each share being 0.10 euro.

CHANGES IN THE GROUP EXECUTIVE BOARD

Eero Tervo, B.Sc. (Engineering), was appointed to the Group Executive Board as Executive Vice President, Logistics and Information Management, starting on February 1, 2005.

Juha Hulkko, M.Sc. (Engineering), eMBA, was appointed as CEO as of March 17, 2005. The areas of responsibility of corporate executives reporting to the CEO were regrouped in connection with this.

Chief Operating Officer Jukka Harju, M.Sc. (Engineering), M.Sc. (Economics) is responsible for operational business. He continues to be responsible for the Group's mergers and acquisition activities as well. Executive Vice Presidents responsible for the Group's business units (Contract R&D, Testing, Automation Solutions and Automotive) report to Mr. Harju.

The sphere of responsibility of Seppo Laine, Chief Financial Officer, Authorized Public Accountant, was extended as of March 17, 2005, to include the Group's support functions with the exception of human resources. The directors responsible for these support functions report to Mr. Laine. Ritva-Liisa Niskanen, LL.M, trained on the bench, was appointed Executive Vice President, Human Resources. Ms. Niskanen, Mr. Harju and Mr. Laine report to Mr. Hulkko.

Johann Haas, M.Sc. (Engineering) was as of March 17, 2005, appointed to the Group Executive Board as Executive Vice President responsible for the Automotive business.

General Counsel Päivi Vasankari is on child-care leave up until July 31, 2006. Mr. Mikko Vartia, LL.M, will serve as her replacement.

As of March 17, 2005, the members of the Group Executive Board have included Juha Hulkko as Group CEO, Arto Pietilä as Executive Vice President responsible for the Contract R&D business, Hannu Hakalahti as Executive Vice President responsible for the Test and Automation business, Juha Reinikka as Executive Vice President responsible for the Integrated Test and Automation business area, Johann Haas as Executive Vice President responsible for the Automotive business, Eero Tervo as Executive Vice President responsible for Logistics and Information Management, Jukka Harju as Chief Operating Officer responsible for operational business, Seppo Laine as Chief Financial Officer, Ritva-Liisa Niskanen as Executive Vice President responsible for Human Resources, Päivi Vasankari as Executive Vice President responsible for legal affairs, and Juha Reinikka, as Executive Vice President responsible for Integrated Test and Automation Solutions business area, until October 31, 2005 when his employment at Elektrobit Group ended.

BOARD OF DIRECTORS' AUTHORIZATIONS BY THE END OF 2005

The Board of Directors was authorised March 17, 2005 by the General Meeting of Shareholders to decide on a new issue or to take convertible loans, in one or more instalments. In the new issue or taking of convertible loans a right can be given to subscribe for a maximum total of 126,105,100 shares, the accounting par value equivalent of which is EUR 0.02 per share, and from which a maximum of 5,000,000 shares may be used to create incentives for the personnel. On the basis of the authorisation the share capital may be increased by a maximum of EUR 2,522,102. The total proposed amount corresponds to approximately 20 per cent of the currently registered share capital and the total voting rights. The authorisation is valid until the next following Annual General Shareholders' Meeting, however not later than until March 17, 2006.

The authorisation contains a right to deviate from the shareholders pre-emptive right of subscription of new shares and convertible loans rights set out in Chapter 4, Section 2 of the Companies Act as well as a right to decide on the persons entitled to subscription, the terms of subscription and the terms of the convertible loans. In addition the authorisation contains a right to decide on subscription prices. Deviation from the shareholders' pre-emptive subscription rights requires that there is a weighty financial reason for this such as arrangement connected with development of the Company's business or capital structure or financing acquisitions or to encouragement of the personnel. Resolution to this effect shall not, however, be made for the benefit of a party belonging to the inner circle of the company as defined in Chapter 1, Section 4, Subsection 1 of the Companies' Act. When the share capital is increased in another way than on the basis of a convertible loan, the Board of

Directors is authorised to decide that the shares may be subscribed against a contribution in kind, by means of set-off or otherwise with specific terms.

The Board of Directors does not have authorization to repurchase the Company's shares or to transfer such repurchased shares.

Further to the authorization granted by the General Meeting of Shareholders on March 17, 2005, the Board of Directors passed a resolution on April 29, 2005 to revise the said authorization to reflect the current number of shares in the company now decimated to one fifth.

Following the amendment the Board of Directors is authorised to decide on a new issue or to take convertible loans, in one or more instalments. In the new issue or taking of convertible loans a right can be given to subscribe for a maximum total of 21,332,538 shares, the accounting par value equivalent of which is EUR 0.10 per share, and from which a maximum of 1,000,000 shares may be used to create incentives for the personnel. On the basis of the authorisation the share capital may be increased by a maximum of EUR 2,133,253.80. The total proposed amount corresponds to approximately 20 per cent of the currently registered share capital and the total voting rights. The authorization remains wholly unexercised.

Option Program

The Board of Directors was authorized March 17, 2005 by the General Meeting of Shareholders to decide on the granting of options. In accordance with the authorization the Board of Directors has on April 29, 2005 amended the authorization to correspond the new reduced number (5 shares to 1) of shares of Elektrobit Group Plc.

Following the amendment the Board of Directors is authorized to grant a maximum of 4,500,000 option rights, based on which, the share capital of Elektrobit Group Plc. may increase by a maximum of 450,000 euro and the number of shares may increase by a maximum of 4,500,000 new shares. Other terms of the option program remain unchanged.

INCENTIVE SCHEMES

Personnel fund

A personnel fund was established on April 27, 2005. In the first stage the members of the fund will consist of the Group's personnel working in Finland, but the intention is that as many Elektrobit Group employees as possible could belong to the personnel fund in the future. The Group's top management will not belong to the fund.

A profit-related pay scheme, in accordance with the Act on Personnel Funds, was implemented in the Elektrobit Group in the beginning of 2005, pursuant to which a predetermined proportion of the Group's result will be paid to the personnel fund as a profit-related payment. The Board of Directors will decide upon the grounds for the profit-related pay scheme annually.

Stock options

The Board of Directors of Elektrobit Group Plc. decided on June 23, 2005 on the distribution of stock options to Elektrobit Group Plc's Group managers and to its wholly-owned subsidiary, serving as a reserve company in the stock option plan. The distributed stock options commit managers to long-term shareholding in the Elektrobit Group. The objective of the new plan is to encourage participating managers to work with a long-term focus to increase shareholder value and to commit them further to their employer.

A total of 612.000 2005A- stock options were distributed to Group management. The rest, 288.000 stock options 2005A, 1.200.000 stock options 2005B, 1.200.000 stock options 2005C and 1.200.000 stock options 2005D were granted to Elektrobit Technologies Ltd, a wholly-owned subsidiary of Elektrobit Group Plc., to be further distributed to the present and future managers of the Group at a later date. In accordance with the terms and conditions of the stock options, the prerequisite for receiving 2005A- stock options was that the participating managers purchase a predetermined number of Elektrobit Group shares, as decided by the Board of Directors.

In accordance with the share ownership plan, associated with this stock option plan, the participating managers are committed to acquire further company's shares with a considerable portion of the future income from the distributed stock-options.

NOTIFICATIONS IN ACCORDANCE WITH CHAPTER 2, SECTION 9 OF THE SECURITIES MARKET ACT

There were no changes in ownership during 2005 that would have caused an obligation of disclosure in accordance with Chapter 2, Section 9 of the Securities Market Act.

BOARD OF DIRECTORS AND AUDITOR

The Annual General Shareholders' Meeting was held on March 17, 2005. The meeting re-elected Tapio Tammi, Eero Halonen and Matti Lainema to the company's Board of Directors and appointed Juha Sipilä, M.Sc (Eng.) as a new member of the Board. The Board of Directors elected on its assembly meeting held on March 17, 2005 Juha Sipilä as Chairman of the Board.

The authorized accounting firm Ernst & Young Oy was elected as the company's auditor, with Rauno Sipilä, Authorized Public Accountant, as the primarily responsible auditor.

DIVIDEND IN 2004

The Shareholders' Meeting, held on March 17, 2005, resolved that in accordance with the Board of Directors' proposal dividend of EUR 0.012 per share, i.e a total of EUR 7,764,761.40 be distributed for the financial period of 2004.

EVENTS AFTER 2005

As of January 1, 2006, Mr. Edvard Krogius, Director of Investor Relations, transferred to the position of Key Account Director within Elektrobit Group's Testing and Automation Solutions business unit. Ms. Maija-Liisa Fors, M.Sc. (Econ.), has been appointed as Elektrobit Group's new Director of Investor Relations. She will assume her new position March 6, 2006. Until then, Investor Relations will be an additional responsibility of Mr. Seppo Laine, the Group's CFO.

OUTLOOK FOR THE FINANCIAL YEAR 2006 AND ITS FIRST QUARTER

The overall business environment in 2006 is expected to be similar to 2005. The most significant factors affecting the Contract R&D business environment are the number of new smart phone models, the competitive success of mobile phone models based on the Series 60 software platform and the Symbian OS operating system, the amount of outsourced R&D and competition among the companies providing SW development services, complete mobile device R&D services and reference phones. The increasing volume of low-end mobile phones requires improvement of operational efficiency in product development as well as in production testing and automation. The growth in the volume of software and electronics in vehicles is expected to continue. This will probably have a positive effect on the development of the automotive software business. The main factors affecting the production testing business environment are the number of new phone models and the degree of automation in testing solutions. The business environment associated with mobile networks is expected to remain good. The business environment for Automation Solutions is expected to remain similar to that of 2005, while replacement investments and product-specific automation solutions will dominate the demand.

The development of the business environment supports our objective of continuing on a track of moderate net sales growth also in 2006. The expectation of growth is subject to uncertainties caused by the cost reduction pressures and increasing competition among suppliers of production test solution providers due to lowering average product prices of mobile devices, and by the sustaining high competition and difficult to predict contract R&D market environment. However, the outlook on the automotive and network and system test markets is good. The cost reduction pressures and high competition in our mobile devices related markets and the growing investments in research and development, do not favor achieving the relative profitability level of 2005 in 2006. Net sales in 2005 fell short of and profitability almost met the targets set for January to December 2005.

Due to the nature of the group's business, major fluctuations are still to be expected between quarters. The group estimates that the distribution of net sales in 2006 will be similar to 2005. Due to investments, the accumulation of operating profit will be focused on the latter half of 2006. The group expects net sales in the first quarter of 2006 to increase somewhat on the 2005 level. Operating profit in the first quarter of 2006 is expected to be slightly negative.

BOARD OF DIRECTOR'S PROPOSAL TO DISTRIBUTE PROFITS

According to the consolidated balance sheet on December 31, 2005, the Group's unrestricted shareholders' equity is 42,669,827 of which 42,284,329 euro is distributable funds. The parent company's unrestricted shareholders' equity according to the balance sheet on December 31, 2005, is 41,671,563 euro, of which 41,671,563 euro is distributable funds.

The Company's Board of Directors proposes to the Annual General Shareholders' Meeting that dividends of 0.07 euro per share, a total of 9,058,888.30 euro, shall be paid from the distributable funds, and that the rest of the distributable assets shall be booked as an increase in equity. According to the proposal the record date shall be March 20, 2006 and the dividends shall be paid on March 27, 2006.

In Oulunsalo, February 15, 2006

Elektrobit Group Plc.
The Board of Directors

Further Information:
Juha Hulkko
CEO
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Tel. +358 40 344 5000

Seppo Laine
CFO
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Pekka Kunnari
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Distribution:
Helsinki Stock Exchanges
Main media offices

INVITATION TO PRESS CONFERENCE

Elektrobit will hold press conferences for media, analysts and institutional investors concerning financial statement bulletin 2005 on February 15, 2006 as follows:

In Oulu at 9.00 am. (EET)

Oulu University

Pentti Kaiterankatu 1

Meeting Room HR 142

In Helsinki at 2.00 pm. (EET)

Restaurant Savoy

Eteläesplanadi 14

Salikabinetti, 7. floor

Helsinki

The material presented during the press conferences (pdf files) will be available from 8.00 am. (EET) on February 15, 2006 on the company's website, www.elektrobit.com/investors

CONSENSUS ESTIMATES

Elektrobit Group Plc's consensus estimates made by the analysts who observe the Group is updated about four weeks before the release of the next financial report. The previous estimate is available on the Company's website www.elektrobit.com/investors

FINANCIAL REPORTING IN 2006

In 2005 first quarter results will be published on May 3, second quarter on August 2, and third quarter on November 1.

ANNUAL GENERAL SHAREHOLDERS' MEETING

Elektrobit Group Plc's Annual General Shareholders' Meeting will take place on Wednesday, March 15, 2006 at 13.00 in Oulunsalo-talo, in Oulunsalossa, Finland.

| ELEKTROBIT GROUP INCOME STATEMENT (MEUR) | IFRS 1-12/2005 12 months | IFRS 1-12/2004 12 months |
|---|---|---|
| NET SALES | 212.5 | 202.6 |
| Other operating income | 2.6 | 3.1 |
| Change in work in progress and finished goods | -0.2 | 0.7 |
| Manufacture for own use | 0.2 | 0.3 |
| Expenses | -179.1 | -157.8 |
| Depreciation and reduction in value | -10.5 | -14.5 |
| OPERATING PROFIT | 25.5 | 34.4 |
| Financial income and expenses | 1.1 | -0.4 |
| Share of the results of associated companies | 0.0 | -0.1 |
| PROFIT BEFORE TAXES | 26.6 | 33.9 |
| Income tax | -7.8 | -7.5 |
| NET PROFIT | 18.8 | 26.4 |
| Distribution | | |
| Owners of parent company | 19.0 | 26.4 |
| Minority interest | -0.1 | 0.0 |
| Basic earnings per share, EUR | 0.15 | 0.21 |
| Diluted earnings per share, EUR | 0.15 | 0.21 |
| | | |
| ELEKTROBIT GROUP BALANCE SHEET (MEUR) | IFRS 31.12.2005 | IFRS 31.12.2004 |
| ASSETS | | |
| Non-current assets | | |
| Intangible assets | 22.5 | 24.3 |
| Tangible assets | 32.2 | 37.4 |
| Investments | 10.8 | 10.1 |
| Deferred tax assets | 3.2 | 2.9 |

| | | |
|--------------------------------|--------------|--------------|
| Non-current assets total | 68.7 | 74.7 |
| Current assets | | |
| Inventories | 17.5 | 15.4 |
| Accounts and other receivables | 46.9 | 49.1 |
| Financing securities | 18.4 | 5.5 |
| Cash and bank deposits | 42.2 | 49.6 |
| Current assets total | 125.0 | 119.6 |
| TOTAL ASSETS | 193.6 | 194.3 |

SHAREHOLDERS' EQUITY AND LIABILITIES

| | | |
|---|--------------|--------------|
| Shareholders' equity | | |
| Share capital | 12.9 | 12.9 |
| Other equity | 107.2 | 95.7 |
| Minority interest | 1.8 | 2.3 |
| Total shareholders' equity | 122.0 | 110.9 |
| Long-term liabilities | | |
| Interest-bearing liabilities | 17.9 | 26.7 |
| Other long-term liabilities | 0.0 | 0.0 |
| Deferred tax liabilities | 8.6 | 8.0 |
| Long-term liabilities total | 26.5 | 34.7 |
| Short term liabilities | | |
| Short-term interest-bearing liabilities | 12.9 | 13.7 |
| Accounts payable and other liabilities | 32.3 | 35.0 |
| Short term liabilities total | 45.2 | 48.7 |
| TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES | 193.6 | 194.3 |

| | | |
|--|-------------------|------------------|
| CALCULATION OF CHANGES IN NET PROFIT (MEUR) | 10-12/2004 | 1-12/2004 |
| | 3 months | 12 months |
| Net profit (FAS) | 7.2 | 23.3 |
| Effects of adopting IFRS | | |

| | | |
|--------------------------------|------|------|
| IFRS 3 Business Combinations | 2.0 | 4.6 |
| IAS 2 Inventories | 0.0 | -0.7 |
| IAS 11 Construction contracts | 0.0 | 0.1 |
| IAS 12 Income taxes | 0.1 | 2.1 |
| IAS 17 Leases | -0.2 | -0.4 |
| IAS 36 Impairment of assets | -2.3 | -3.0 |
| IAS 39 Financial instruments | 0.2 | 0.4 |
| IAS 40 Investment property | 0.0 | -0.1 |
| Other IFRS -standards | 0.1 | 0.0 |
| Total effects of adopting IFRS | 0.0 | 3.1 |
| Net profit (IFRS) | 7.2 | 26.4 |

**CALCULATION OF CHANGES IN
SHAREHOLDER'S EQUITY (MEUR)**

A = Share capital
 B = Share premium account
 C = Share-related compensation
 D = Retained earnings
 E = Net profit for the period
 F = Minority interest
 G = Total equity

| | A | B | C | D | E | F | G |
|---------------------------------------|------|------|-----|------|---|-----|------|
| Shareholders' equity 31.12.2003 (FAS) | 12.6 | 54.9 | 0.0 | 12.9 | | 1.9 | 82.3 |
| Effects of adopting IFRS | | | | | | | |
| IAS 2 Inventories | | | | 0.6 | | | 0.6 |
| IAS 12 Income taxes | | | | -1.3 | | | -1.3 |
| IAS 17 Leases | | | | 0.2 | | | 0.2 |
| IAS 36 Impairment of assets | | | | -2.3 | | | -2.3 |
| IAS 39 Financial instruments | | | | 0.9 | | | 0.9 |

| | | | | | | | |
|--|------|------|-----|------|------|------|-------|
| Other IFRS- standards | | | | 0.3 | | -0.2 | 0.1 |
| Total effects of adopting IFRS | | | | -1.5 | | -0.2 | -1.8 |
| Shareholders' equity 1.1.2004 (IFRS) | 12.6 | 54.9 | 0.0 | 11.4 | | 1.7 | 80.6 |
| Shareholders' equity 31.12.2004 (FAS) | 12.9 | 64.6 | 0.0 | 6.4 | 23.3 | 0.9 | 108.1 |
| Effects of adopting IFRS | | | | | | | |
| IFRS 3 Business combination | | | | | 4.6 | | 4.6 |
| IAS 2 Inventories | | | | 0.6 | -0.7 | | -0.1 |
| IAS 11 Construction contracts | | | | | 0.1 | | 0.1 |
| IAS 12 Income taxes | | | | -1.2 | 2.1 | | 0.8 |
| IAS 17 Leases | | | | -0.0 | -0.4 | | -0.4 |
| IAS 36 Impairment of assets | | | | -2.3 | -3.0 | | -5.3 |
| IAS 39 Financial instruments | | | | 0.9 | 0.4 | | 1.3 |
| IAS 40 Investment property | | | | | -0.1 | | -0.1 |
| Other IFRS- standards | | | | 0.3 | 0.0 | 1.4 | 1.7 |
| Total effects of adopting IFRS | | | | -1.7 | 3.1 | 1.4 | 2.8 |
| Shareholders' equity 31.12.2004 (IFRS) | 12.9 | 64.6 | 0.0 | 4.7 | 26.4 | 2.3 | 110.9 |
| Shareholders' equity 1.1.2004 (IFRS) | 12.6 | 54.9 | 0.0 | 11.4 | | 1.7 | 80.6 |
| Increase of share capital | 0.3 | 8.2 | | | | | 8.5 |
| Profit for the period | | | | | 3.3 | | 3.3 |
| Dividend distribution | | | | -6.4 | | | -6.4 |
| Translation difference | | | | -0.2 | | 1.0 | 0.8 |
| Others | | | | -0.2 | | | -0.2 |
| Shareholders' equity 31.3.2004 (IFRS) | 12.9 | 63.1 | 0.0 | 4.5 | 3.3 | 2.7 | 86.5 |
| Increase of share capital | | | | | | | 0.0 |
| Profit for the period | | | | | 4.3 | | 4.3 |
| Translation difference | | | | 0.0 | | -0.2 | -0.1 |
| Others | | | | 0.0 | | | 0.0 |
| Shareholders' equity 30.6.2004 (IFRS) | 12.9 | 63.1 | 0.0 | 4.6 | 7.7 | 2.5 | 90.7 |
| Increase of share capital | | | | | | | 0.0 |
| Profit for the period | | | | | 11.6 | | 11.6 |

| | | | | | | | |
|--|------|------|-----|------|------|------|-------|
| Translation difference | | | | 0.0 | | 0.0 | 0.0 |
| Others | | | | 0.0 | | | 0.0 |
| Shareholders' equity 30.9.2004 (IFRS) | 12.9 | 63.1 | 0.0 | 4.7 | 19.3 | 2.5 | 102.3 |
| Increase of share capital | 0.1 | 1.5 | | | | | 1.6 |
| Profit for the period | | | | | 7.2 | | 7.2 |
| Translation difference | | | | 0.0 | | -0.2 | -0.2 |
| Others | | | | 0.0 | | | 0.0 |
| Shareholders' equity 31.12.2004 (IFRS) | 12.9 | 64.6 | 0.0 | 4.7 | 26.4 | 2.3 | 110.9 |
| Shareholders' equity 1.1.2005 (IFRS) | 12.9 | 64.6 | 0.0 | 31.1 | | 2.3 | 110.9 |
| Profit for the period | | | | | 3.2 | | 3.2 |
| Dividend distribution | | | | -7.8 | | | -7.8 |
| Translation difference | | | | 0.1 | | 0.0 | 0.1 |
| Shareholders' equity 31.3.2005 (IFRS) | 12.9 | 64.6 | 0.0 | 23.4 | 3.2 | 2.3 | 106.4 |
| Profit for the period | | | | | 5.2 | | 5.2 |
| Dividend distribution | | | | | | | 0.0 |
| Translation difference | | | | 0.1 | | -0.0 | 0.1 |
| Others | | | | 0.0 | | | 0.0 |
| Shareholders' equity 30.6.2005 (IFRS) | 12.9 | 64.6 | 0.0 | 23.6 | 8.4 | 2.3 | 111.7 |
| Profit for the period | | | | | 6.6 | | 6.6 |
| Dividend distribution | | | | | | | 0.0 |
| Share-related compensation | | | 0.1 | | | | 0.1 |
| Translation difference | | | | 0.1 | | -0.3 | -0.1 |
| Others | | | | 0.1 | | | 0.1 |
| Shareholders' equity 30.9.2005 (IFRS) | 12.9 | 64.6 | 0.1 | 23.8 | 15.0 | 2.0 | 118.4 |
| Profit for the period | | | | | 4.0 | | 4.0 |
| Dividend distribution | | | | | | | 0.0 |
| Share-related compensation | | | 0.1 | | | | 0.1 |
| Translation difference | | | | 0.1 | | -0.2 | -0.2 |
| Others | | | | -0.3 | | | -0.3 |
| Shareholders' equity 31.12.2005 (IFRS) | 12.9 | 64.6 | 0.1 | 23.6 | 19.0 | 1.8 | 122.0 |

| CONSOLIDATED CASH FLOW STATEMENT (MEUR) | IFRS 1-12/2005 12 months | IFRS 1-12/2004 12 months |
|---|---|---|
| CASH FLOW FROM OPERATING ACTIVITIES | | |
| Net profit for the accounting period | 19.0 | 26.4 |
| Adjustment of accrual basis items | 16.8 | 22.5 |
| Cash flow before change in net working capital | 35.7 | 49.0 |
| Change in net working capital | -1.5 | 8.4 |
| Cash flow before financial items and taxes | 34.2 | 57.4 |
| Interest paid on operating activities | -3.1 | -5.1 |
| Interest received from operating activities | 4.4 | 4.6 |
| Other financial income and expenses, net received | 0.0 | 0.3 |
| Income taxes paid | -9.2 | -9.5 |
| CASH GENERATED FROM OPERATIONS | 26.3 | 47.6 |
| CASH FLOW FROM INVESTING ACTIVITIES | | |
| Purchase of tangible and intangible assets - | -5.4 | -24.3 |
| Proceeds from sale of tangible and intangible assets | | |
| + | 0.5 | 0.6 |
| Purchase of investments - | -3.3 | -3.2 |
| Proceeds from sale of investments + | 3.0 | 3.0 |
| NET CASH USED IN INVESTING ACTIVITIES | -5.3 | -23.8 |
| CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from issuance of share capital + | | 10.1 |
| Proceeds from short-term borrowings + | | 3.2 |
| Repayment of short-term borrowings - | | -6.9 |
| Proceeds from long-term borrowings + | 0.3 | 0.6 |
| Repayment of finance leases | | -2.3 |
| Repayment of long-term borrowings - | -8.1 | -4.1 |
| Dividends paid - | -7.8 | -6.4 |
| NET CASH USED IN FINANCING ACTIVITIES | -15.6 | -5.9 |
| NET CHANGE IN CASH AND CASH EQUIVALENTS | 5.5 | 17.9 |

| | | |
|--|------|------|
| Cash and cash equivalents at beginning of period | 55.1 | 37.2 |
| Cash and cash equivalents at end of period | 60.6 | 55.1 |
| Change in cash and cash equivalents in balance sheet | 5.5 | 17.9 |

| SEGMENT INFORMATION, MEUR | IFRS 1-12/2005 12 months | IFRS 1-12/2004 12 months |
|----------------------------------|---|---|
| Service segment | | |
| Net sales to external customers | 90.2 | 88.8 |
| Net sales to other segments | 10.7 | 4.4 |
| Net sales total | 100.9 | 93.2 |
| Operating profit | 0.9 | 9.2 |
| Product segment | | |
| Net sales to external customers | 122.1 | 113.5 |
| Net sales to other segments | 0.4 | 0.6 |
| Net sales total | 122.4 | 114.1 |
| Operating profit | 24.7 | 26.7 |
| Common functions | | |
| Net sales to external customers | 0.2 | 0.3 |
| Net sales to other segments | 5.4 | 5.8 |
| Net sales total | 5.7 | 6.1 |
| Operating profit | -0.1 | -1.5 |

Eliminations

| | | |
|---------------------------------|-------|-------|
| Net sales to external customers | 0.0 | 0.0 |
| Net sales to other segments | -16.5 | -10.8 |
| Net sales total | -16.5 | -10.8 |

| | | |
|------------------|-----|-----|
| Operating profit | 0.0 | 0.0 |
|------------------|-----|-----|

Group total

| | | |
|---------------------------------|-------|-------|
| Net sales to external customers | 212.5 | 202.6 |
| Operating profit | 25.5 | 34.4 |

In the interim reports January to March 2005 and January to June 2005 are the strategic development expenses (including several segments) showed in the sections of Common functions and Eliminations. These expenses are now included in the operating profit of the business segments. In the period from January to March 2005 these expenses were -0.4 million euro (-0.1 million euro January –March 2004) and from January to June 2005 the expenses were -1.0 million euro (-0.5 million euro January – June 2004).

Net sales of geographical segments, MEUR

| | IFRS | IFRS |
|-----------------|------------------|------------------|
| | 1-12/2005 | 1-12/2004 |
| | 12 months | 12 months |
| Net sales | | |
| Europe | 139.1 | 139.4 |
| Americas | 35.5 | 36.8 |
| Asia | 37.9 | 26.4 |
| Net sales total | 212.5 | 202.6 |

**ELEKTROBIT GROUP
QUARTERLY FIGURES
(MEUR)**

| | IFRS | IFRS | IFRS | IFRS | IFRS |
|------------------------|-------------------|-----------------|-----------------|-----------------|-------------------|
| | 10-12/2005 | 7-9/2005 | 4-6/2005 | 1-3/2005 | 10-12/2004 |
| | 3 months | 3 months | 3 months | 3 months | 3 months |
| NET SALES | 54.9 | 54.9 | 58.1 | 44.6 | 60.2 |
| Other operating income | 1.4 | 0.3 | 0.3 | 0.5 | 1.0 |

| | | | | | |
|--|------------|------------|------------|------------|-------------|
| Change in work in progress and finished goods | -5.6 | 2.1 | 0.6 | 2.7 | -2.7 |
| Manufacture for own use | 0.1 | 0.0 | 0.2 | 0.0 | 0.0 |
| Expenses | -43.8 | -45.3 | -49.0 | -41.0 | -42.5 |
| Depreciation and reduction in value | -2.6 | -2.6 | -2.9 | -2.4 | -5.9 |
| OPERATING PROFIT | 4.4 | 9.4 | 7.2 | 4.5 | 10.1 |
| Financial income and expenses | 0.7 | 0.2 | 0.2 | 0.1 | 0.1 |
| Share of the results of associated companies | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| PROFIT BEFORE TAXES | 5.1 | 9.6 | 7.4 | 4.6 | 10.2 |
| Income tax | -1.4 | -2.9 | -2.2 | -1.4 | -3.1 |
| NET PROFIT | 3.8 | 6.7 | 5.2 | 3.2 | 7.2 |
| Distribution | | | | | |
| Owners of parent company | 4.0 | 6.6 | 5.2 | 3.2 | 7.2 |
| Minority interest | -0.2 | 0.1 | -0.0 | 0.0 | -0.0 |

| | IFRS | IFRS | IFRS | IFRS | IFRS |
|-----------------------------|-------------------|------------------|------------------|------------------|------------------|
| ELEKTROBIT GROUP | 31.12.2005 | 30.9.2005 | 30.6.2005 | 31.3.2005 | 31.12.200 |
| BALANCE SHEET (MEUR) | | | | | 4 |

ASSETS
Non-current assets

| | | | | | |
|---------------------------------|-------------|-------------|-------------|-------------|-------------|
| Intangible assets | 22.5 | 23.0 | 23.2 | 24.2 | 24.3 |
| Tangible assets | 32.2 | 36.9 | 37.2 | 37.5 | 37.4 |
| Investments | 10.8 | 11.0 | 10.6 | 10.4 | 10.1 |
| Deferred tax assets | 3.2 | 3.2 | 3.9 | 3.1 | 2.9 |
| Non-current assets total | 68.7 | 74.1 | 74.9 | 75.1 | 74.7 |

Current assets

| | | | | | |
|-----------------------------------|------|------|------|------|------|
| Inventories | 17.5 | 21.3 | 18.6 | 18.1 | 15.4 |
| Accounts and other receivables | 46.9 | 58.1 | 56.4 | 46.9 | 49.1 |
| Financing securities | 18.4 | 16.8 | 16.7 | 18.6 | 5.5 |
| Cash and bank deposits | 42.2 | 32.2 | 30.2 | 27.4 | 49.6 |

| | | | | | |
|----------------------|-------|-------|-------|-------|-------|
| Current assets total | 125.0 | 128.4 | 121.8 | 110.9 | 119.6 |
| TOTAL ASSETS | 193.6 | 202.4 | 196.8 | 186.0 | 194.3 |

**SHAREHOLDERS' EQUITY
AND LIABILITIES**
Shareholders' equity

| | | | | | |
|-------------------|-------|-------|-------|-------|-------|
| Share capital | 12.9 | 12.9 | 12.9 | 12.9 | 12.9 |
| Other equity | 107.2 | 103.4 | 96.5 | 91.2 | 95.7 |
| Minority interest | 1.8 | 2.0 | 2.3 | 2.3 | 2.3 |
| Total equity | 122.0 | 118.4 | 111.7 | 106.4 | 110.9 |

Long-term liabilities

| | | | | | |
|------------------------------|------|------|------|------|------|
| Interest-bearing liabilities | 17.9 | 24.2 | 25.0 | 25.4 | 26.7 |
| Other long-term liabilities | 0.0 | 0.0 | 0.0 | 0.0 | 0.0 |
| Deferred tax liabilities | 8.6 | 7.5 | 7.6 | 7.7 | 8.0 |
| Long-term liabilities total | 26.5 | 31.8 | 32.6 | 33.2 | 34.7 |

Short term liabilities

| | | | | | |
|---|------|------|------|------|------|
| Short-term interest-bearing liabilities | 12.9 | 12.0 | 12.8 | 13.3 | 13.7 |
| Accounts payable and other liabilities | 32.3 | 40.3 | 39.6 | 33.1 | 35.0 |
| Short term liabilities total | 45.2 | 52.3 | 52.5 | 46.5 | 48.7 |

**TOTAL SHAREHOLDERS'
EQUITY AND LIABILITIES**

| | | | | | |
|--|-------|-------|-------|-------|-------|
| | 193.6 | 202.4 | 196.8 | 186.0 | 194.3 |
|--|-------|-------|-------|-------|-------|

**ELEKTROBIT GROUP FINANCIAL
PERFORMANCE RELATED RATIOS**

| | IFRS | IFRS |
|--|------------------|------------------|
| | 1-12/2005 | 1-12/2004 |
| | 12 months | 12 months |

INCOME STATEMENT (MEUR)

| | | |
|-------------------------------------|-------|-------|
| Net sales | 212.5 | 202.6 |
| Operating profit | 25.5 | 34.4 |
| Operating profit, % of net sales | 12.0 | 17.0 |
| Profit before taxes | 26.6 | 33.9 |
| Profit before taxes, % of net sales | 12.5 | 16.7 |
| Net profit | 19.0 | 26.4 |

PROFITABILITY AND OTHER KEY
FIGURES

| | | |
|--|-------|-------|
| Return on equity % (ROE) | 16.2 | 27.6 |
| Return on investment % (ROI) | 20.0 | 28.8 |
| Interest-bearing net liabilities, (MEUR) | -29.8 | -14.7 |
| Net gearing, % | -24.5 | -13.2 |
| Equity ratio, % | 64.2 | 58.1 |
| Gross investments, (MEUR) | 11.9 | 42.0 |
| Gross investments, % of net sales | 5.6 | 20.7 |
| R&D costs, (MEUR) | 15.0 | 12.0 |
| R&D costs, % of net sales | 7.1 | 5.9 |
| Average personnel during the period | 1647 | 1385 |
| Personnel at the period end | 1684 | 1536 |

| AMOUNT OF SHARE ISSUE ADJUSTMENT (1000 pcs) | 31.12.2005 | 31.12.2004 |
|--|-------------------|-------------------|
| At the end of period *) | 129 413 | 129 413 |
| Average for the period *) | 129 413 | 128 289 |
| Average for the period diluted with stock options | 129 413 | |

*) The figures have been transformed to correspond with the number of shares after the combination of shares performed during the accounting period.

| ELEKTROBIT GROUP STOCK-RELATED FINANCIAL RATIOS (EUR) | IFRS 1-12/2005 12 months | IFRS 1-12/2004 12 months |
|--|---|---|
|--|---|---|

| | | |
|-----------------------------|-------|-------|
| Basic earnings per share | 0.15 | 0.21 |
| Diluted earnings per share | 0.15 | 0.21 |
| Equity per share | 0.93 | 0.84 |
| Dividend per share (EUR) *) | 0.07 | 0.06 |
| Dividend per earnings, % | 47.80 | 29.12 |
| P/E ratio | 12.8 | 13.6 |
| Effective dividend yield, % | 3.74 | 2.14 |

*) According to Board of Directors proposal, year 2005

| | | |
|---|------------------|------------------|
| ELEKTROBIT GROUP MARKET VALUES OF SHARES (EUR) | 1-12/2005 | 1-12/2004 |
|---|------------------|------------------|

| | | |
|---------------------------------------|--------|--------|
| Highest | 3.15 | 3.45 |
| Lowest | 1.82 | 2.15 |
| Average | 2.53 | 2.85 |
| At the end of period | 1.87 | 2.80 |
| Market value of the stock, (MEUR) | 242.0 | 362.4 |
| Trading value of shares, (MEUR) | 117.2 | 79.9 |
| Number of shares traded, (1000 PCS) | 46 374 | 28 071 |
| Related to average number of shares % | 35.8 | 21.9 |

| | | |
|--|-------------------|-------------------|
| ELEKTROBIT GROUP SECURITIES AND CONTINGENT LIABILITIES (MEUR) | 31.12.2005 | 31.12.2004 |
|--|-------------------|-------------------|

AGAINST OWN LIABILITIES

| | | |
|---|------|------|
| Floating charges | 28.8 | 29.8 |
| Mortgages | 19.7 | 19.7 |
| Pledges | 7.5 | 7.6 |
| Mortgages are pledged for liabilities totaled | 23.0 | 26.1 |

OTHER DIRECT AND CONTINGENT

LIABILITIES

Rental liabilities

| | | |
|------------------------------|-----|-----|
| Falling due in the next year | 3.2 | 1.8 |
| Falling due after one year | 4.7 | 2.7 |

| | | |
|------------------------|-----|-----|
| Repurchase commitments | 1.1 | 1.3 |
|------------------------|-----|-----|

**ELEKTROBIT GROUP NOMINAL VALUE
OF CURRENCY DERIVATIVES (MEUR)**

| | 31.12.2005 | 31.12.2004 |
|------------------------------------|-------------------|-------------------|
| Foreign exchange forward contracts | | |
| Market value | -0.1 | 0.5 |
| Nominal value | 17.0 | 17.1 |
| Purchased currency options | | |
| Market value | 0.1 | 0.0 |
| Nominal value | 6.1 | 0.0 |
| Sold currency options | | |
| Market value | -0.1 | 0.0 |
| Nominal value | 12.2 | 0.0 |